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STUDY OF AGENCY EARLY RETIREMENT SYSTEM
Actuarial Study Completed by
[REDACTED]

25X1A

1. Basis Early Retirement Plan:

Requirements: 50 or more years of age
 20 or more years of Federal service
 10 or more years Agency service
 10 or more years Overseas service
 5 or more years CIA Overseas service

Annuity Computation:
 2% of high-five years average salary multiplied
 by number of years of service; no reduction for
 retirement under age 60.

Comparative Example:

| | <u>CSC Annuity</u> | <u>CIA Early Ret.</u> |
|---|--|-------------------------|
| Employee meeting minimum requirements above | 30.8% of High-Five Salary (Invol. Separation) | 40% of High-Five Salary |
| Employee 55 years of age, 30 years service and meeting other requirements | 53.4% of High-Five Salary | 60% of High-Five Salary |

2. Estimated Number of CIA Eligible:

| <u>Years Eligible</u> | <u>CSCS (Males)</u> | <u>DDI (Males)</u> |
|-----------------------|---------------------|--------------------|
| 1960 | 9 | 5 |
| 1961 | 14 | 3 |
| 1962 | 14 | 3 |
| 1963 | 13 | 3 |
| 1964 | 22 | 10 |
| 1965 | 30 | 13 |
| 1966 | 36 | 15 |
| 1967 | 58 | 24 |
| 1968 | 71 | 31 |
| 1969 | 47 | 26 |
| 1970 | 50 | 28 |
| Total | 354 | 151 |

Note: Many of the eligibles will be key employees and personnel possessing critical skills and experience who might not be released upon attaining eligibility.

(Does not include the limited number of DDI eligibles and Agency female eligibles.)

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3. Comparative Costs in Percentage of Payroll - Long Range Cost:

| | |
|--|---------------------|
| Civil Service - Entire Government | 19 1/2 % of Payroll |
| Civil Service - CIA | 21 % of Payroll |
| (CIA cost is higher due to higher grade structure and low attrition) | |
| Early Retirement Plan for Qualifying Employees and Civil Service for Balance | 24 % of Payroll |

*This would be approximately 3% of Payroll of employees qualifying for early retirement and 2 1/2 % of Payroll for the balance. (Approximately 3% of Agency personnel were identified as qualifying for Early Retirement.)

4. The Early Retirement Program was temporarily suspended for the following reasons:

- a. Relatively few personnel eligible until 1968.
- b. Costs considered excessive.
- c. High priority given to surplus personnel program.
- d. Unsuitability of Early Retirement Program to solve the "lump" problem.
- e. Lack of favorable legislative attitude.

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